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SUBJECT: THAN SHWE VISIT: CLOSE BUT NOT "TRADITIONAL" FRIENDS

REF: 02 Hanoi 1279

1. (SBU) SUMMARY. The visit by Than Shwe, Senior General and Chairman of Burma's State Peace and Development Council (SPDC), focused on trying to enhance the modest economic relationship of these two fellow ASEAN states. Narcotics were apparently not on the agenda; however, the two sides pledged cooperation in tourism, health, and education as well as reaffirmed cooperation in other areas such as military-to-military ties; counterterrorism; and crime. END SUMMARY.

2. (U) Than Shwe visited Vietnam from March 14-16 at the invitation of Vietnam's President Tran Duc Luong. This was his third visit to Vietnam, having previously come in 1995 and 1998 (the latter for the Sixth ASEAN Summit). President Luong visited Burma in May 2002 (reftel). Other prior GVN visits included: then-Communist Party of Vietnam General Secretary Do Muoi (1997); then-Deputy Prime Minister and

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Foreign Minister Nguyen Manh Cam (1998); and, Prime Minister Phan Van Khai (2000).

3. (U) According to media accounts, Than Shwe's entourage consisted of a variety of officials, including:  
--SPDC Secretary and Lieutenant General Soe Win;  
--Chairman of the Peace and Development Council (PDC) Mandalay Division and Commander of the Central Military Command Major General Ye Myint;  
--Chairman of the Sagaing Division of the PDC and Commander of the Northwest Military Zone Major General Soe Naing;  
--Agriculture and Irrigation Minister Major General Nyunt Tin;  
--Industry Minister U Aung Thaung;  
--Commerce Minister Brigadier General Pyi Sone;  
--Foreign Minister U Win Aung;  
--Livestock Breeding and Fisheries Minister Brigadier General Maung Maung Thein;  
--Energy Minister Brigadier General Lun Thi;  
--Health Minister Professor Dr. Kyaw Myint;  
--Military Assistant to the SPDC Chairman, Major General Ne Win;  
--Director General of the SPDC Office, Lieutenant Colonel Pe Nyein; and,  
--an unspecified number of "entrepreneurs."

4. (U) Than Shwe's activities followed a typical pattern for ceremonial visits: mutual compliments about each country's accomplishments ("President Luong renewed Vietnam's support to the Myanmar Government's efforts to maintain territorial integrity and national reconciliation and unity. . ."); meetings with Prime Minister Khai, President Luong, and National Assembly Chairman Nguyen Van An; a courtesy call with Communist Party of Vietnam General Secretary Nong Duc Manh; a banquet; a wreath laying ceremony

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at the Ho Chi Minh Mausoleum; and a joint communique summing up the visit.

5. (SBU) The Burma Embassy and the Ministry of Foreign Affairs Asia II Department declined our requests for briefings on the visit. However, Luan Thuy Duong, Deputy Director of the Department for Southeast Asian Studies at the MFA's Institute of International Relations (IIR), described the Vietnam - Burma relationship to poloff on March 18 as "excellent." Duong noted that Burma had been one of the first countries to establish relations with Vietnam following the end of the Vietnam - US War. Burma opened its embassy in Hanoi in May 1975, less than a month after reunification. Vietnam's leaders also "highly valued" Burma's "spiritual support" during the war, she claimed. Duong said that the relationship as "not quite traditional, but very close." (Note: Vietnam reserves the term "traditional" for its oldest friends, such as Cuba and Russia. End note.) Duong noted that, while Than Shwe was able to fulfill his itinerary in Hanoi, he appeared "rather old and frail."

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ECONOMICS: MOSTLY TALK

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16. (SBU) Reports in Vietnam's state controlled media emphasized the economic focus of the visit, trumpeting that two-way trade had increased 300 percent between 1998 and 2002. However, the respective figures were only USD four million and USD 12 million. The GVN's stated goal is to reach a two-way trade level of USD 30 million by 2005. The IIR's Duong admitted that even this modest figure is "probably not feasible." Duong noted that Burma's economy is "quite weak, with difficult structural problems." In addition, "payment mechanisms" need to be developed; Duong predicted that the two sides "must look more at barter trading." Aside from some gems and timber, Burma "does not have much" to offer Vietnam, she added. Without citing specifics, Duong predicted that the bilateral focus would remain on economics during 2003, including exchanges between the two Ministries of Trade.

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MILITARY-TO-MILITARY  
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17. (SBU) Duong noted that the leaders had discussed military-to-military cooperation, which she characterized as "quite smooth." Duong admitted that while she was not knowledgeable about the details of the military-to-military activity, but noted that there are "regular meetings" between senior military officers as well as some officer exchanges. Duong predicted additional senior level military visits from both sides during 2003.

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OTHER AREAS OF COOPERATION  
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18. (SBU) Similar to exchanges during President Luong's visit last May (reftel), both sides pledged further cooperation in a number of areas, such as tourism, education, culture, forestry, and agriculture. The IIR's Duong said that, while the relevant ministers had discussed ways to promote progress in these areas, "there are not yet very many concrete programs." Specifically relating to tourism, Duong opined that Vietnamese and Burmese companies could "join forces" to promote tour packages for foreigners to visit both countries.

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ASEAN CONTEXT  
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19. (SBU) According to the media, President Luong told his guests that Vietnam and Burma should view the visit as an opportunity to improve not only the bilateral relationship, but also cooperation within the ASEAN framework. Duong said that this was very much in line with the GVN's desire to increase cooperation among the "new ASEAN" members - Cambodia, Laos, Burma, and Vietnam -- both on a bilateral and multilateral basis, which she labeled a "parallel approach." Duong claimed that the "lower tier" members feared being "disadvantaged" economically by the wealthier members as they move into free trade arrangements. Duong commented that Than Shwe's visit could be viewed as an attempt by Vietnam to solidify bilateral relations while at the same time strengthening the ASEAN subcontext.

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DRUG ISSUE NOT ON THE AGENDA  
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10. (SBU) Although Vietnam is a transit point for Golden Triangle heroin, narcotics were also not raised during the visit, according to Duong. This was probably because the two sides had agreed that the visit's focus should be mostly on trade and economics issues, she opined. Duong also noted that Vietnam and Burma have an existing MOU for drug cooperation and that they have agreed in the past to cooperate both through this agreement as well as within the ASEAN framework. Duong added that both sides discuss drugs "on an ongoing basis" during other "appropriate" official visits.

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STANDING AGAINST TERRORISM  
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11. (SBU) Duong highlighted that the leaders had agreed on the need to continue to cooperate against terrorism. According to the joint communiqu, Vietnam and Burma will "strengthen information exchanges" relating to terrorism. While the joint communiqu also stated that both sides intend to sign an anti-crime agreement, Duong declined to predict when this might occur.

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COMMENT  
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112. (U) While Vietnam and Burma are clearly interested in moving forward on the bilateral relationship, these ties are likely to remain subsumed in the more important ASEAN context. Despite considerable public cheerleading, a significant increase in trade is not realistic. In both the Luong visit last May and this visit, it is encouraging to see a strong stand against terrorism, in line with recent trends in ASEAN. It is notable, also, that the leaders made no public reference to Iraq.

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